



Association of College & University Telecommunications Administrators

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October 11, 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William Caton
Office of the Secretary
Federal Communications Commission
1919 M Street Northwest
Room #222
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

RE: In the Matter of Policies and Rules Implementing the
Telephone Disclosure and Dispute Resolution Act, CC Docket No.
93-22; Order on Reconsideration and Further Notice of Proposed
Rulemaking

Dear Mr. Caton:

Enclosed for filing are the comments of the Association of
College and University Telecommunications Administrators, Inc.
(ACUTA) in CC Docket 93-22, Order on Reconsideration and Further
Notice of Proposed Rulemaking.

We have taken the liberty to enclose an original and ten
copies. This should enable each commissioner to receive a personal
copy of our comments. Please file mark a copy and return it to me
in the enclosed envelope.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. Collett', is written over a horizontal line.

Randal R. Collett
President
ACUTA

Enclosures

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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C.**

IN THE MATTER OF

Policies and Rules Implementing
the Telephone Disclosure and
Dispute Resolution Act

CC Docket 93-22

DOCKET FILE COPY DUPLICATE

COMMENTS OF
THE ASSOCIATION OF COLLEGE AND UNIVERSITY
TELECOMMUNICATIONS ADMINISTRATORS, INC. (ACUTA)

I. INTRODUCTION

1. ACUTA is a non-profit organization with over 700 public and private college and university members, including most of the nation's large public universities. As a leading voice in higher education, ACUTA represents over one-third of the non-profit institutions of higher learning in this country.

2. According to an ACUTA membership survey, 60% of our members have experienced toll fraud on their campuses, primarily by residence hall residents, within the past four years. Of the types of fraud most commonly reported, the billing of charges by the LEC's and the interexchange carriers for the placement of 800 calls ranks high on the list.

3. It is troubling to ACUTA members that there are few options to control abuse of these services. Since we have been deemed aggregators, we are saddled with the mandate to permit 800 dialing. Yet, the lack of adequate and consistent control on the use of 800 numbers, particularly by unscrupulous information providers (IPs) has enabled pay-per-call usage to reach epidemic proportions for many of our member institutions. Implementation of line attributes or restrictions are not generally consistent across the industry. Worse, these attributes may not even be checked because of the long held notion that 800 service is free to the calling party; thus any of these controls that might otherwise be utilized for collect or third party calling are completely ineffective.

4. While the proposed rule changes outlined in Appendix C

provide for presubscription or a comparable arrangement as a means to protect telephone subscribers from abusive practices, there appears to be no statutory requirement for the validation of credit card numbers prior to service delivery. As reported by several of our members, the institution becomes the payer of last resort in those instances where credit is later denied by the card companies. Hence, the proposed changes offer little protection against the completion of such calls through the fraudulent use of credit card numbers.

II. DEFINITION OF PAY-PER-CALL SERVICES.

5. ACUTA supports the proposed FCC definition of pay-per-call services and the exemption of certain services or transactions from pay-per-call status. The requirement that all interstate services meeting the statutory definition of pay-per-call services be placed on the 900 service access code will certainly ameliorate existing fraud problems for many of our member institutions. Most end users have the ability via either the Local Exchange Companies (LECs) or through PBX control features to selectively block access to such services.

III. FEDERAL TARIFFING FOR 900 NUMBERS.

6. The ability to block access to 900 numbers via line attributes applied by either the LEC or the various IXC's is a significant tool for telephone call control. To date, the use of call screening techniques such as the application of the ANI 7 line screening code, has in many cases not been 100% effective in all access environments. ACUTA lauds the FCC's plan to provide this additional safety net.

IV. SCOPE OF PAY-PER-CALL BILLING REQUIREMENTS.

7. The use of 800 numbers has grown dramatically over the past several years, to the point where they are now being utilized by residential rate payers. This explosive growth has been fostered in large measure by an overwhelming perception that there is no charge to the calling party for the placement of such calls. Trends toward the use of deceptive billing practices by information providers have begun to undermine the effectiveness of 800 numbers. ACUTA firmly believes that this should not continue.

8. ACUTA vehemently objects to the tactics that have recently been employed by some carriers on the provision of, and the billing for, information type services. Clearly, information services that utilize 800 numbers, then bill the user connection charges, are designed to subvert current regulatory restraints. ACUTA vigorously supports the amendment of existing FCC regulations to provide greater protection to end users from the fraudulent and deceptive practices currently associated with the use of 800 number for the provision of information services.

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V. ELIMINATING PAY-PER-CALL ON 800 SERVICE IS THE BEST PROTECTION AGAINST OVERZEALOUS PROVIDERS.

9. The proposed rule changes provide for written presubscription or comparable arrangements with whomever has the financial responsibility for the telephone number as a means of controlling the fraudulent use of 800 numbers. Yet, the proposed rules make no provision for the validation of such presubscription arrangements or charge card numbers. Without these provisions, ACUTA's members are still susceptible to fraud.

10. ACUTA firmly believes even presubscription and billing requirements imposed on LECs may not resolve this burgeoning problem. We believe that unscrupulous service providers and carriers will continue to find methods to bilk unsuspecting callers for calls that users perceive as being "free". Our members already report a new scam involving 800 service and international calling (reference FCC Informal Complaint #94-15325).

11. The use of 900 numbers for the provision of information services is well established and accepted by most telephone users. There is simply no need to expand these offerings into the 800 number arena.

VI. ACUTA'S RECOMMENDATIONS

12. To address our concerns highlighted in paragraph 9, ACUTA recommends the following changes to the proposed rules:

Part 64.1501,b,(5) insert the word "validated" in front of the words "credit or charge card number...."

Part 64.1501,b,(5),(i) insert the words "by the authorized user" in front of the words "for the purchase of....."

13. It is ACUTA's position that there should be no charge, either hidden or direct, for the dialing of an 800 telephone number. To that end, ACUTA reaffirms its recommendations submitted to the FCC in our April 14, 1994 letter to Kathleen Levitz (copy attached as Appendix A).

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Respectfully submitted,

ASSOCIATION OF COLLEGE AND
UNIVERSITY TELECOMMUNICATIONS
ADMINISTRATORS, INC. (ACUTA)

By: 

Randal R. Collett
President
152 W. Zandale Dr., Ste. 200
Lexington, KY 40503



Association of College & University Telecommunications Administrators

April 14, 1994

Kathleen Levitz
Chief, Common Carrier Bureau
Federal Communications Commission
1919 M Street NW, Room #500
Washington, D.C. 20554

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FNPRM

APPENDIX A

Dear Ms. Levitz:

The Association of College and University Telecommunications Administrators (ACUTA) is a non-profit organization with over 700 public and private college and university members, including most of the nation's large public universities. In all, ACUTA represents over one-third of the non-profit institutions of higher learning in this country. We are the professional home for telecommunications professionals in higher education.

Our members are responsible for providing telecommunications services to their respective college/university campuses. Faculty, staff, and residence hall students make up a body of users not unlike those of any other business installation across the country, and typically receive telecommunications services through a PBX or Centrex system. In order to accurately bill the appropriate cost center (or individual), the single biggest challenge is ascertaining the originating telephone number.

Pay-per-call services have long been a source of conflict in this regard. Because of the substantially higher charges for these services, many of our members choose to "block" the ability of their users to access the "900" area code, rather than carry any associated financial risk. The FCC has upheld this course of action in rule changes related to the Telephone Disclosure and Dispute Resolution Act.

Now, however, our members are being confronted with a different type of pay-per-call service; one which, at first glance, would appear to be a deliberate attempt by the service provider to circumvent FCC rules.

Instead of "900" numbers, there are now hundreds of "800" numbers listed for pay-per-call services. Callers to these numbers are identified by Automatic Number Identification (ANI), and since 800 calls bypass the Line Information Data Bases (LIDB), screening codes are ineffective. For any situation where the calling party number (CPN) and the charge number (CHN) are not one and the same, these services only invite fraudulent use. Because, in the scenario just described, it makes no difference whether or not the caller has established a billing arrangement with the provider (as described in the FCC's rules for compliance with the Telephone Disclosure and Dispute Resolution Act), it's the "owner" of the telephone number who will be responsible for the bill. Billing is usually through an agent, and is accomplished by converting the call record to a collect or credit card call which ultimately appears on the Local Exchange

Company (LEC) bill against the CHN. The success of billing resolution depends on the relationship between the billing agent and the LEC.

For any situation where the CPN and the CHN are not the same (e.g., a PBX station which is most often billed to the "trunk" number, or a Centrex station which is "owned" by the organization, not the individual), this situation is tenuous at best. The owner of the telephone number has no effective means of protection, and no control in the final outcome.

It is troubling to ACUTA members that the FCC continues to allow this type of billing arrangement under the circumstances whereby the customer-of-record and the service provider have no business relationship. Indeed, with the Commission's most recent rule making in CC Docket #91-281, FCC 94-59, there is a specific exception related to delivery of per-call blocking of CPN for calls made via 800 or 900 service.

Yet, it is important to understand that this problem is not just limited to colleges and universities. It can be perpetrated upon any business or government installation where the CPN and CHN are not the same. The scope of the problem can be sizeable. Our members report losses ranging from a few hundred dollars each month to sums large enough to require legal intervention. Further, the problem is exacerbated by mandates to make systems more open to what has been described as the "transient public" without appropriate safeguards from these types of overzealous service providers.

Accordingly, ACUTA hereby requests that the FCC take immediate steps to minimize this risk for all telecommunications users. We suggest the following:

Prohibit the use of "800" numbers for any interstate pay-per-call services. Also, prohibit the issuance of any telephone calling cards for these types of services without the expressed permission of the customer-of-record of the telephone line being used.

If total prohibition is not feasible, then we suggest the following compromise:

Prohibit Local Exchange Companies from billing for pay-per-call services without expressed, written confirmation that some sort of billing arrangement exists between the customer-of-record and the service provider (and/or their billing agent).

ACUTA seeks to relieve its members of the financial risks associated with 800 pay-per-call services. We believe that our recommendations are appropriate. We further believe that these recommendations can be implemented with a minimum of unintended consequences. ACUTA encourages the FCC to confirm the seriousness of this situation, and to take immediate steps for resolution. We welcome the opportunity to be an integral part of that process.

Respectfully submitted,



Randal R. Collett
Executive Vice President

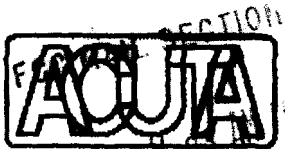
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FAX COVER SHEET

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OCT 11 1994

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OFFICE OF SECRETARY

To: FCC, William Caton

From: ACUTA, LEXINGTON, KY

FOLLOWING IS 7 PAGES OF
ACUTA COMMENTS RELATED TO CC DOCKET 93-22.

ORIGINAL AND TEN (10) COPIES ARE
BEING OVERNIGHTED FOR 10/12/94, DELIVERY.

IF PROBLEMS WITH THIS FAX PLEASE CONTACT:

TERRI McALLISTER 816-543-4999